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## 1. Sustainability

- US shipping firm Matson continues to invest in liquefied natural gas as fuel and will convert another containership to be able to use LNG. Last year, Germany’s MAN Energy Solutions won a contract from Matson Navigation to retrofit the main engine of the 3,600-teu LNG-ready, Daniel K. Inouye, built in 2018 by US-based Philly Shipyard and part of Matson’s Aloha Class vessels. Singapore-based C-LNG Solutions will provide its LNG FGSS for the containership. Now Matson has exercised an option from the contract in June 2022 and will convert the main engine aboard its 2019-built 3,600-teu containership, Kaimana Hila, MAN said in a statement on Thursday. The contract includes converting an MAN B&W S90ME-C10.5 unit to a dual-fuel ME-GI unit capable of running on LNG. MAN did not provide the price tag of the contract. Matson expects to invest about \$35 million in the conversion of Kaimana Hila, the same as for Daniel K. Inouye. Besides these two vessels, Matson plans to replace the main engine on its containership Manukai with a dual-fuel engine and this will cost about \$60 million. In total, the firm will spend up to \$130 million to enable these three ships to use LNG fuel. Matson’s finance chief Joel Wine said during the company’s 2022 earnings call on February 21 that the containership Daniel K. Inouye “is currently in drydock for its LNG installation, and is expected to be back in service in the middle of this year.” Its AIS data provided by VesselsValue showed on Friday that it was located in Nantong, China. “Following Daniel K. Inouye, Manukai will enter the drydock for a one-year project to re-engine to operate on both LNG and conventional fuels,” Wine said. “And Kaimana Hila will enter the drydock in the second quarter of 2024 for a roughly five-month period for its LNG installation,” he added. Besides these vessels, Matson ordered last year three new 3,600-teu LNG-powered Aloha Class containerships at compatriot Philly Shipyard for about \$1 billion. Matson will take delivery of these Jones

Act compliant vessels in the fourth quarter of 2026 with subsequent deliveries in 2027.

- According to an Article from Tradewinds, Bangladesh is expected to become a more attractive recycling destination for owners insisting on green recycling as a third recycling facility at Chattogram is certified as being compliant with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. Kabir Ship Recycling Facilities, part of the Kabir Group, has received certification from the Indian Register of Shipping, Bureau Veritas and ClassNK as being compliant with the International Maritime Organization’s Hong Kong Convention. Previously, PHP Ship Breaking & Recycling Industries and SN Corporation where the only Hong Kong Convention-certified recycling facilities in Bangladesh. Established in 1995, Kabir Ship Recycling Facilities occupies seven acres of land in Chattogram and currently employs over 800 people. The facility is one of several that is operated by the Kabir Group. Chief executive Meherul Karim told TradeWinds that the process of obtaining Hong Kong Convention certification was undertaken in a step-by-step manner over a “long” period. Karim also noted that the yard had upgraded its facilities without using foreign consultants. “We recruited local marine engineers to develop and manage the yard,” he said. The Hong Kong Convention compliance certification comes at a time when price offerings from recycling facilities in Bangladesh have outstripped those of main rival India. TradeWinds reported on Monday that three ships “a Winning Shipping capesize bulker, a World Tankers Management MR2 product tanker and a Vasi Shipping feeder container ship” had been sold to cash buyers for onward resale to Bangladeshi recycling facilities at between \$610 per ldt and \$675 per ldt. Indian ship recyclers, whose price offerings remained below \$600 per ldt, did not acquire any tonnage over the past week.

## 2. Shipping Markets Analysis

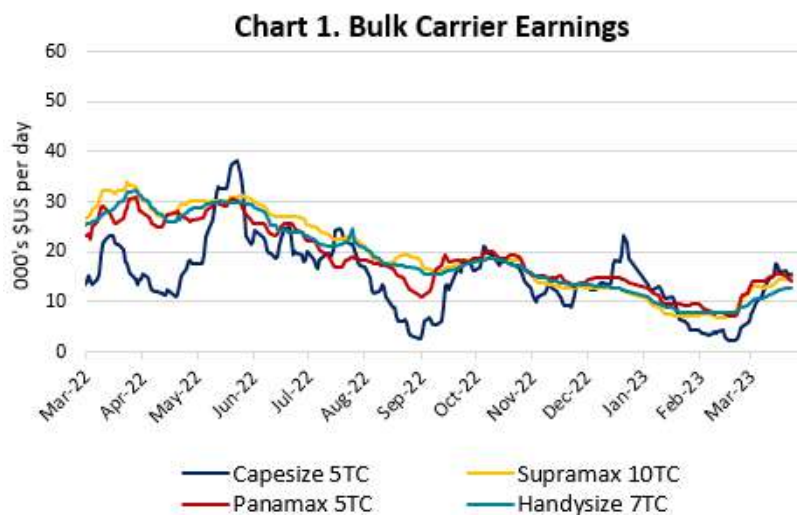
### 2.1 Dry Bulk

Buying appetite remains healthy and we see fresh sale candidates entering the market. The Panamax sector was the most active one with the market sources suggesting that a 2015 built Japanese Panamax with eco main engine is rumoured to have been committed to Greek interest for around \$25.5million, a firm number compared to a one-year older unit with Scrubber that was sold end of last year at \$22 million. We estimate Values of 8-year-old Panamaxes have increased more than 10% since the beginning of the year. A non-eco 2012 Built Chinese Panamax was sold for around \$17.5 million. A 2005 built Japanese Panamax is committed for \$14million and a Chinese Kamsarmax 2012 built was sold to Greeks for \$19.8 million. A 2015 built Japanese Handysize is reported sold for around \$20.5 million. On the Capesize sector, a 2005 Capesize was sold for low \$15million with delivery in September-October.

March was the busiest month for Supramax Sales with almost 20 vessels sold, the highest since May 2022.

On the finance front, several Central banks increase interest rates this week; European Central Bank increased rates by 50 bps pushing the bank's main rate up to 3.5%, while the rate paid on Eurozone bank deposits left at the ECB increases to 3%. The Swiss Central Bank hiked rates by 50 bps to 1.5%. The Federal Reserve increased rates by 25 bps to 4.75% and 5% which is the highest level for the federal funds rates since 2006. The Bank of England increased rates by 25 bps to 4.25%. Last but not least, the Australian Central Bank hiked rates by 25 bps.

According to Bloomberg, The Guinean Government, Rio Tinto and its partners have resumed work on infrastructure to restart the Simandou iron ore mine. Located in south-east Guinea, the mine is estimated to hold more than four billion tonnes of ore, making it the world's largest known deposit of its kind. Work on the \$15bn project, which involves a railway and port, stopped almost one year after operations were suspended. In July 2022, the Guinean Government ordered work to stop at the project to force the shareholders to agree on joint venture (JV) terms. Rio's Guinea unit formed a JV with Winning Consortium Simandou (WCS) and the Guinean Government to develop the rail and port to transport high-grade iron ore from the mine to market. WCS is a consortium of Singapore-based Winning International Group (45%), China Hongqiao subsidiary Weiqiao Aluminium (35%) and Guinean company United Mining Suppliers International (20%). In March 2022, all parties signed a pact for the La Compagnie du TransGuinéen (CTG) joint venture, which guarantees 15% of the Simandou iron ore, as well as a 15% stake of free and non-dilutable in railway and port infrastructure to the government. Ruling junta leader Colonel Mamadi Doumbouya was quoted by Bloomberg News as saying: "My ambition is for the Simandou project to serve as a real catalyst for the economic development of Guinea, and allow the country to become a major player in the world iron ore market." Through Simfer, Rio Tinto held rights to Simandou blocks 3 and 4 since 1997. Simfer is 15% owned by the Guinean Government and 85% by Simfer Jersey, which is a JV between Rio (53%) and Chalco Iron Ore Holdings (CIOH) (47%). Baowu owns a 20% stake in CIOH while Aluminum Corporation of China (Chinalco) holds a 75% stake. China Rail Construction Corporation and China Harbour Engineering Company each own a 2.5% stake.



## 2.2 Tankers

Tankers' values remain at exceptionally high levels across all segments. The MR sector was busy this week with a series of fresh sales. At the time of writing this report, a 2017 built Korean MR is committed at excess \$40million. A 2007 built Korean MR was sold for \$22million. Two handy tankers were sold enbloc for around \$30million. The vessels are ice classed, have a capacity of 32,000 dwt and were built in 2003 and 2004 in Germany.

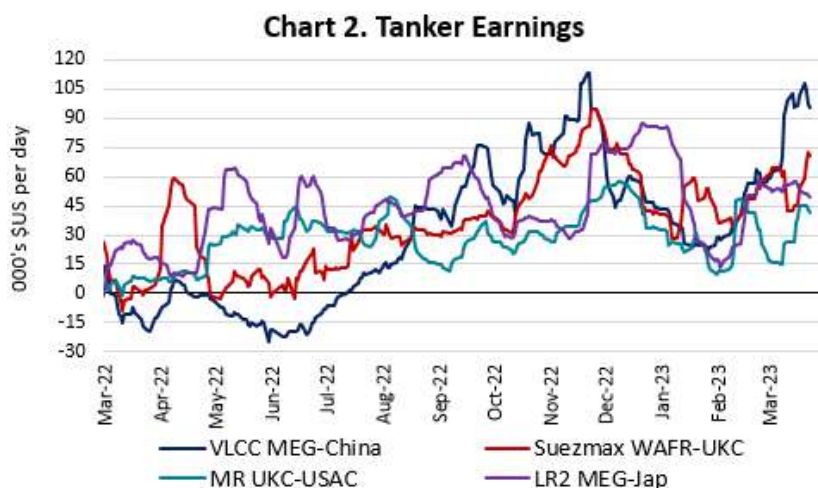
VLCC spot rates have been above \$80,000 per day the last two weeks, while Suezmax rates averaging over \$70,000 per day year to date. We believe the following factors drive tanker rates higher: i) Chinese crude imports are increasing ii) Strong US Exports (4 week average of around 4.8 million barrels per day of exports) iii) trade dislocation due the Russia-Ukraine situation iv) limited fleet growth. Moreover, on the short term we expect a boost in the demand for crude oil as price of oil is at 1 and half year low which might incentivise importers to increase their imports of crude so to take advantage of the lower price of oil.

VLCC spot rates cooled off a little bit this week but they are still in many cases above \$100,000 per day. A 2010 Scrubber fitted unit was put on subs for a voyage from West Africa to East at 100,000 per day for around 60 days.

On the product sector, China's diesel exports soared to 4.54 million tons in the first two months of the year, a tenfold increase from last year's export rate. Weak domestic demand combined with high export quotas were the main drivers behind the increase, although demand from Europe also played a part.

As domestic demand climbs and refiners enter maintenance, fuel exports from China are expected to decline sharply. A scrubber fitted LR2 was fixed for a 3-year period at \$40,000 per day.

According to Reuters, Crude oil exports and transit of Urals, KEBCO and Siberian Light oil grades from Russia's western ports are expected to rise 9% in March from February, data from trade sources and Reuters calculations showed. Russia's oil exports from its western ports, excluding Kazakhstan-sourced oil in transit, will increase by 4% on a daily basis, despite the announced plans to reduce oil production in March by 500,000 barrels per day. The increase in Russian oil loadings from western ports is mostly due to delays in February loadings from Novorossiisk port amid storms, the sources said. The delays forced the port to postpone nearly 1 million tonnes of February oil for loading in March. Thus, the expected volume of exports from Novorossiisk in March is 3.2 million tonnes. As a result, the total volume of Russian oil exports may reach about 9.6 million tonnes this month, up from 8.0 million tonnes loaded in February. All the loading positions from the March programme were filled with resources and the vessels were fixed for the loadings, traders said, adding that the monthly plan should be completed in full. The main buyers of sea-borne Urals cargoes, India and China, retained their positions in March, but sellers have new regular routes, Reuters monitoring showed.



## 2.3 Containers

The SCFI slightly dropped 0.15% w-o-w to 908 points, about 79% down y-o-y. The market back in March 2022 was at 4,450 points.

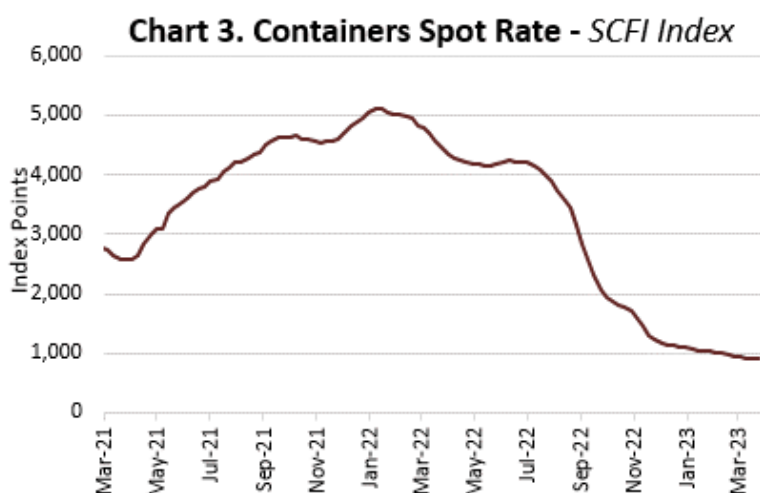
According to last NCFI report, the oversupply proportion starts shrinking between the routes from Ningbo to Europe/Mediterranean/Middle East and demand is becoming steadier, on a w-o-w basis (average increase at 1%), while the cargo volume on Ningbo-North America (West & East) route is still weak, circa 3% down. On the other hand, the demand for cargoes on the route from Ningbo to West South America has seen significant improvement, an increase about 32% and the freight rates in the area improved accordingly.

The chartering market is driven by the Feeder segment as almost half number of fixtures are reported for 700 up to 1,800 TEUs vessels. Rates have been slightly eased, compared to previous week but the activity remained relatively healthy. Feeder rates are fluctuated between \$10k - \$15.5k/day for period range between six to twelve months, while two Feedermax fixed at circa \$17k/day.

Three Panamax reported fixed between \$19k/day up to mid \$22k/day for period range between nine and seventeen months while two Post Panamaxes fixed in long term period. A 9,700 TEUs was fixed at mid \$44k/day for around two years and a 10,000 TEUs at \$33k/day for three year-charter.

On the newbuilding sector, more than 60 vessels are on order while the orderbook increased around 16% since March 2022.

The activity on the recycling market is not as lively as was expected, since the number of vintage containerhips entering the recycling market remains low so far.



## 2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers			Containers		% w-o-w
BDI	1,484	-4.87	VLCC MEG-China	95,700	-0.5%	SCFI	908.35	-0.15%
Capesize 5TC	15,396	-6.05	Suezmax Wafr-UKC	70,400	53.7%			
Kamsarmax 5TC	14,260	-9.26	MR UKC-USAC	41,200	4.8%			
Supramax 10TC	14,668	1.65	LR2 MEG-Jap	49,300	-11.8%			
Handysize 7TC	12,663	2.29						

## 3. Second-Hand Market

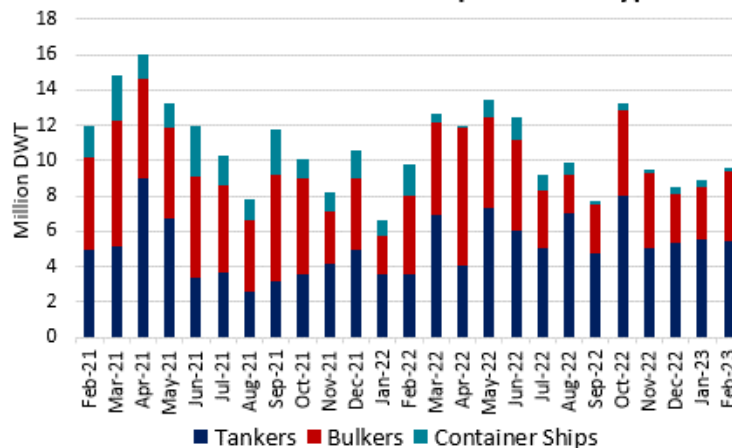
### 3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	White Trader	150k Dwt	1999	Nippon Kokan	rgn \$27m	N/A	SS 10/24	BWST fitted
Tanker	MR	Gladys W	49k >>	2013	STX	\$93.6m	Danish	SS/DD 06/23	BWST fitted
Tanker	MR	Julia L						SS/DD 04/23	
Tanker	MR	Marjore K						SS/DD passed	
Tanker	MR	Ocean III	45k	2007	Bohai	\$21.5m	N/A	SS/DD passed	BWTS fitted, CAP 1, Ice Class
Dry Bulk	Capesize	Xin Jin Hai	180k >>	2009	Dalian	\$23m	Chinese	SS/DD 11/24	BWTS fitted
Dry Bulk	Capesize	Mulan	176k >>	2005	Universal	low \$16m	Chinese	SS 11/25 DD 12/23	BWTS fitted, Sept-Oct'23 delivery
Dry Bulk	Capesize	Mount Faber	176k >>	2008	Namura	\$22.7m	Chinese	SS 03/23	Scrubber fitted
Dry Bulk	Capesize	C H S Creation	174k >>	2006	SWS	\$17m	Chinese	SS 03/26 DD 03/24	BWTS fitted
Dry Bulk	Supramax	Iris Express	58k >>	2007	Tsuneishi Cebu	\$14.3m	Chinese	SS 03/27 DD 03/25	
Dry Bulk	Supramax	GF Orient	57k >>	2011	STX Dalian	\$13.5m	Chinese	SS 01/26 DD 04/24	BWTS fitted
Dry Bulk	Supramax	Serene Jessica	57k >>	2011	STX Dalian	\$14.9m	N/A	SS 03/26 DD 04/24	BWTS fitted
Dry Bulk	Supramax	AIS Sun	57k >>	2010	Yangzhou Guoyu	\$11.2m	N/A	SS 08/26 DD 08/24	BWTS fitted
Dry Bulk	Supramax	Lofty Mountain	51k >>	2002	Oshima	N/A	N/A	SS 03/27 DD 04/25	BWT fitted
Dry Bulk	Handysize	Sea Plain I	32k >>	2011	Jiangsu Zhenjiang	low \$11m	Hong Kong based	SS 08/26 DD 09/24	BWTS fitted
Dry Bulk	Handysize	Merchant Three	28k >>	2012	Imabari	low \$13m	N/A	SS/DD passed	BWTS fitted
Container	Post Panamax	Navigare Collector	11,000 TEUs	2018	Jiangsu Yangzi Xinfu	ard \$81m	German	SS/DD 04/23	TC attached till end of 2025
Container	Post Panamax	Northern Justice	8,814 >>	2010	Daewoo	xs \$50m	N/A	SS 03/25 DD 04/23	Eco ME, Ice Class
Container	Panamax	Northern Debonair	3,534 >>	2007	Shanghai	\$14.8m	Chinese	SS/DD passed	Ice Class
Container	Feedermax	Buxhansa	2,456 >>	1998	Daewoo	\$6.5m	N/A	SS/DD 03/23	BWTS fitted, Ice Class
Container	Feeder	G. Box	1,714 >>	2018	Guangzhou Wenchong	\$20.5m	Far Eastern	SS/DD 04/23	BWTS fitted

### 3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

Vessel Type	Current Prices				5-Year Avg Prices (2018-2022)				
	Resale	5 yrs	10 yrs	15 yrs	Resale	5 yrs	10 yrs	15 yrs	
TANKERS	VLCC	124	99	75	60	101	74	51	38
	Suezmax	84	67	53	40	70	51	35	23
	Aframax	77	61	49	37	56	41	29	19
	Panamax	57	46	35	25	45	33	22	14
	MR	46	40	32	21	40	30	20	13
DRY BULK	Capesize	61	51	30	19	53	39	25	16
	Panamax/Kamsarmax	37	30	23	15	34	26	18	12
	Supramax/Ultramax	35	29	19	14	31	24	15	11
	Handysize	29	25	17	11	25	19	12	7
CONTAINERS	Size	Current Prices			5-Year Avg Prices (2018-2022)				
	8,800-teu / 10 yrs	59			58				
	6,600-teu / 10yrs	40			48				
	4,500-teu / 10 yrs	26			27				
	2,600-teu / 10 yrs	20			20				
1,700-teu / 10 yrs	14			15					

Chart 4. Sales Volumes per Vessel Type



## 4. Newbuilding & Ship Recycling Markets

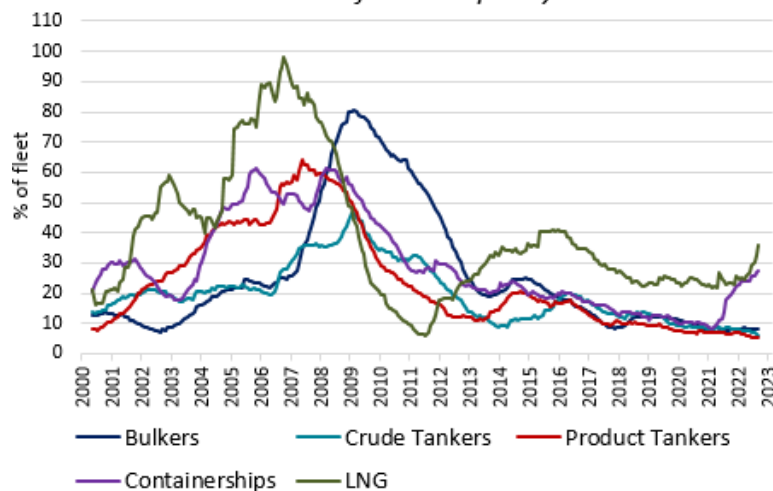
### 4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2	Dry Bulk	Ultramax	64k Dwt	2026	Tsuneishi Zhoushan	ard \$35.5m	European	
2	Dry Bulk	Ultramax	63k >>	2025	COSCO Zhoushan	ard \$32m	Greeks	
2	Dry Bulk	Handysize	40k >>	2026	Namura	ard \$33m	Taiwanese	
2	Tanker	LR2	115k >>	2026	New Times	ard \$63m	Greeks	
2	Tanker	LR2	115k >>	2025	SWS	ard \$63m	Singaporeans	
2	Gas	VLGC	91k cbm	2026	KSOE	ard \$103.5m	Kuwaiti	

### 4.2 Newbuilding Asset Values & Orderbook Levels

Vessel Type		Current Prices		Year End, \$m		
		Last Week	This Week	2020	2021	2022
TANKERS	VLCC	120	120	86	112	120
	Suezmax	80	80	56	76	80
	Aframax	62	62	47	59	62
	Panamax	54	54	43	51	54
	MR	44	44	34	41	44
DRY BULK	Capesize	60	60	46	61	61
	Kamsarmax	34	33	26	35	34
	Ultramax	31	31	24	33	31
	Handysize	29	29	23	30	29
CONTAINERS	10,000-teu	125	125	88	129	128
	6,600-teu	85	85	72	84	86
	5,000-teu	70	70	54	71	73
	2,600-teu	40	40	30	39	41
	1,700-teu	27	27	23	28	29

Chart 5. Shipping Orderbooks  
as % of Fleet Capacity

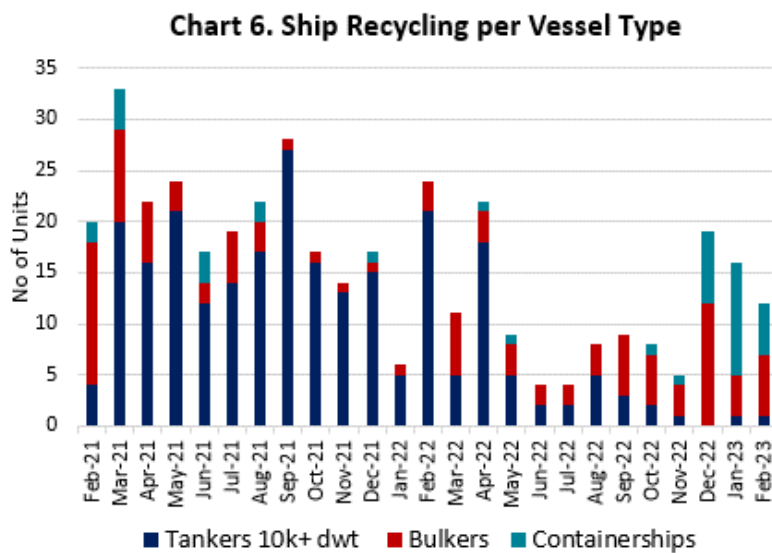


### 4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Capesize	Sunny Voyager	171k	2001	22,159 mt	Korean	Bangladeshi	610	
Tanker	MR	Mena	45k	1991	9,920 mt	Japanese	N/A	N/A	
Container	Feeder	Vasi Star	1,728 TEUs	1996	7,821 mt	Polish	Bangladeshi	N/A	

### 4.4 Scrap Values & Ship Demolition Volumes

Location	Tankers				Dry Bulk			
	Year End, \$m			Current	Year End, \$m			Current
	2020	2021	2022		2020	2021	2022	
India	405	565	530	560	405	560	525	565
Bangladesh	415	600	505	560	415	590	510	590
Pakistan	415	590	520	515	415	585	520	525



## 5. Macro Indicators

Indicator		% w-o-w
ICE Brent	74.91 \$/b	-0.1%
WTI	68.87 \$/b	0.4%
Spore VLSFO	565 \$/t	0.8%
GBP/USD	1.23	0.8%
USD/YEN	130.16	-2.0%
EUR/USD	1.08	0.9%
USD/YUAN	6.87	0.0%
Gold	1,986.3	2.8%
SOFR	4.57%	-0.4%
EURIBOR (3m)	2.646%	13.5%



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